

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

In re:	*	
	*	
GORDON PROPERTIES, LLC,	*	Case No. 09-18086-RGM
CONDOMINIUM SERVICES, INC.,	*	Chapter 11
	*	(Jointly Administered)
Debtors.	*	

MOTION FOR AUTHORITY TO INCUR SUBORDINATED SECURED DEBT

The debtor, GORDON PROPERTIES, LLC (“Gordon Properties”), by counsel, pursuant to 11 U.S.C. §364(c)(2), requests that the Court enter an order authorizing Gordon Properties to borrow money on a subordinated secured basis pursuant to the terms of this motion (“Motion”), and in support of this Motion states as follows:

1. Gordon Properties commenced its chapter 11 case with the filing of a voluntary petition on October 2, 2009. Gordon Properties is in possession of its assets and operating its business as a debtor-in-possession.

2. Gordon Properties is owned and operated by family members Bryan Sells, Elizabeth Sells (Bryan’s sister), Lindsay Wilson (Bryan’s and Elizabeth’s cousin), and Julie Langdon (Lindsay’s sister)¹ (collectively, the “Owners”), each of whom owns 25% of the membership interests. Bryan Sells is the manager of Gordon Properties and is its designated representative in this chapter 11 case [Docket No. 7].

¹ Julie Langdon is incapacitated. The Alexandria Circuit Court has appointed Alexandria attorney Richard Mendelson and Julie’s sister, Lindsay Wilson, as co-conservators on Julie’s behalf. Richard Mendelson and Lindsay Wilson are representing Julie’s interests in these cases.

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3. When Gordon Properties' chapter 11 case was filed, it had approximately \$300,000 in cash on deposit. However, its cash obligations in this case have nearly exhausted its cash deposits. Gordon Properties is required to borrow money in order to meet its ongoing cash obligations in this case.

4. All or some of the Owners of Gordon Properties are prepared to lend money to Gordon Properties to help fund its ongoing cash needs. The Owners are prepared to lend Gordon Properties up to \$500,000 (the "Loan") on an ongoing basis as and when funds may be required, pursuant to the terms of a Commercial Credit Line Promissory Note (the "Note") and Credit Line Deed of Trust (the "Deed of Trust"), copies of which are attached hereto and incorporated herein.² The collateral intended to secure the Loan will be one or more of the unencumbered condominium units owned by Gordon Properties at The Forty Six Hundred Condominium (the "Collateral").

5. Gordon Properties is solvent and believes that entering into the Loan and granting the Owners the Deed of Trust to secure the Loan will not impair Gordon Properties' ability to pay all allowed claims in its case. Nonetheless, the Owners have agreed to subordinate their right to payment under the Note and Deed of Trust to all allowed claims in its case. Specifically, the Owners agree to subordinate their right to payment under the Notes and Deed of Trust to the rights of all allowed claimants in its case. Accordingly, no creditor in Gordon Properties' case will be impaired by the Loan.

² It is unclear at this time whether some or all the Owners will provide the funding for the Loan, the amount a particular Owner will lend, and when the borrowing from any particular Owner will occur. It is intended by this Motion that the Owners have the flexibility, in their discretion, to decide which of them will provide the funding, when the funding will be provided, and how much any particular Owner will fund, and it is further intended that such borrowing will be evidenced by separate Notes executed at the time of funding the Loan, all of which Notes will be secured by the Deed of Trust with equal dignity and priority, provided, however, that the total amount of the Loan outstanding at any one time shall not exceed \$500,000.

WHEREFORE, Gordon Properties respectfully requests that it be authorized to enter into the Loan pursuant to the terms of the Note and Deed of Trust, and subject to the subordination agreement of the Owners as stated herein.

Respectfully submitted,

GORDON PROPERTIES, LLC,
By counsel

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